

SENATE BILL 740

F1, Q2
SB 316/11 – B&T

2lr1780

By: **Senator Madaleno**

Introduced and read first time: February 3, 2012

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Property Tax – Charter Counties – Education Funding**

3 FOR the purpose of authorizing a county council in a charter county, for a certain
4 purpose under certain circumstances, to set a property tax rate that is higher
5 than the rate authorized under the county's charter or to collect more property
6 tax revenues than are authorized under the county's charter, notwithstanding
7 any provision of a county charter that places certain limits on that county's
8 property tax rate or revenues; requiring a county to appropriate to the local
9 board of education certain revenues and prohibiting a county from reducing
10 certain funding to the local board of education under certain circumstances;
11 providing for the application of this Act; and generally relating to county
12 property tax rates and revenues and education funding.

13 BY repealing and reenacting, with amendments,
14 Article – Education
15 Section 5–104
16 Annotated Code of Maryland
17 (2008 Replacement Volume and 2011 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
19 MARYLAND, That the Laws of Maryland read as follows:

20 **Article – Education**

21 5–104.

22 (a) Each county council or board of county commissioners shall levy and
23 collect a tax on the assessable property of the county which, together with other local
24 revenue available, including income tax revenues and bond money, and together with
25 estimated revenues and funds from all sources, will produce the amounts necessary to
26 meet the appropriations made in the approved annual budget of the county board.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (b) (1) Local funds provided for appropriations shall be paid in accordance
2 with the expenditure requirements, as certified by the county board, to the treasurer
3 of the county board on a monthly basis.

4 (2) Appropriations for school construction, permanent improvements,
5 and repairs for special purposes may be required to be paid more frequently on the
6 order of the president and secretary of the county board to the county commissioners,
7 county council, or the county executive.

8 (c) (1) Notwithstanding any other provision in this article, this subsection
9 applies to Wicomico County.

10 (2) The Wicomico County Council annually shall pay to the Wicomico
11 County Board the amount of the budget of the county board that has been approved by
12 the County Council:

13 (i) In 12 equal monthly installments; or

14 (ii) At the times on which the County Council and county board
15 mutually agree.

16 (3) Taxes levied under this section shall be retained by the county and
17 any annual deficiencies in the tax are the responsibility of Wicomico County.

18 **(D) (1) NOTWITHSTANDING ANY PROVISION OF A COUNTY CHARTER**
19 **THAT PLACES A LIMIT ON THAT COUNTY'S PROPERTY TAX RATE OR REVENUES**
20 **AND SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A COUNTY COUNCIL**
21 **MAY SET A PROPERTY TAX RATE THAT IS HIGHER THAN THE RATE AUTHORIZED**
22 **UNDER THE COUNTY'S CHARTER OR COLLECT MORE PROPERTY TAX REVENUES**
23 **THAN THE REVENUES AUTHORIZED UNDER THE COUNTY'S CHARTER FOR THE**
24 **SOLE PURPOSE OF FUNDING THE APPROVED BUDGET OF THE COUNTY BOARD.**

25 **(2) IF THE COUNTY COUNCIL SETS A COUNTY PROPERTY TAX**
26 **RATE THAT IS GREATER THAN THE RATE AUTHORIZED UNDER THE COUNTY'S**
27 **CHARTER OR COLLECTS MORE PROPERTY TAX REVENUES THAN THE REVENUES**
28 **AUTHORIZED UNDER THE COUNTY'S CHARTER, THE COUNTY:**

29 **(I) MAY NOT REDUCE FUNDING PROVIDED TO THE COUNTY**
30 **BOARD FROM ANY OTHER LOCAL REVENUE SOURCE BELOW THE FUNDING**
31 **LEVEL IN THE CURRENT COUNTY BUDGET; AND**

32 **(II) SHALL APPROPRIATE TO THE COUNTY BOARD ALL**
33 **PROPERTY TAX REVENUES EXCEEDING THE AMOUNT THAT WOULD HAVE BEEN**
34 **AVAILABLE IF THE COUNTY CHARTER LIMITATION HAD APPLIED.**

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 June 1, 2012, and shall be applicable to all taxable years beginning after June 30,
3 2012.